

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRASIL 02800 141348Z

46

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 XMB-02 INT-05 AID-05 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 TRSE-00 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 /048 W

----- 130661

R 141310Z APR 75

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 8649

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

LIMITED OFFICIAL USE BRASILIA 2800

E.O.11652: N/A

TAGS: EFIN, BR

SUBJECT: BRAZILIAN STEEL EXPANSION: PHASE III -- STATUS REPORT

REF: STATE 48075

DEPARTMENT PASS EXIM

1. ON APRIL 7 ECONOMIC COUNSELOR CALLED ON DR. WILKIE BARBOSA, SUPERINTENDANT DIRECTOR OF SIDERBRAS, TO DISCUSS THE STATUS OF GOB'S STEEL EXPANSION PROGRAM PHASE III.

2. MOST IMPORTANT POINTS TO EMERGE WERE:

A. REPAYMENT TERMS: DR. BARBOSA CONCEDED THAT SIDERBRAS HAS BEEN UNABLE TO OBTAIN NEW COMMITMENTS FOR REPAYMENT TERM OF MORE THAN 10 YEARS IN THE CREDIT ARRANGEMENTS WITH FRANCE AND THE UK. THE AGREEMENTS CONTAIN CLAUSES THAT THE CONSORTIA WOULD LENGTHEN THE REPAYMENT TERM BEYOND THE STIPULATED 10 YEARS IF SIDERBRAS OBTAINED LONGER MATURITIES FROM OTHER SUPPLIERS. DR. BARBOSA SAID GOB WAS WORKING HARD ON TRYING TO GET SUCH A LONGER TERM, AND WAS HOPEFUL THAT FRANCE, BRITAIN OR THE US WOULD ULTIMATELY COME THROUGH WITH MORE LIBERAL PROVISIONS. AMBASSADOR DELFIM NETO WAS WORKING ON THE PROBLEM IN PARIS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRASIL 02800 141348Z

INTERESTINGLY ENOUGH, BARBOSA WAS SILENT ON GERMANY AND

JAPAN.

B. INVITATIONS FOR BIDDING. IN VIEW OF THE UNWILLINGNESS OF MAJOR FINANCING INSTITUTIONS TO PROVIDE REPAYMENT TERMS OF MORE THAN 10 YEARS, HE HAD ASKED THE THREE COMPANIES TO COMMENCE THE BIDDING PROCESS, AND HE EXPECTED A SERIES OF INVITATIONS TO GO OUT IN THE NEXT SEVERAL MONTHS. US/MINAS HAD ALREADY DONE SO WITH RESPECT TO THE EXYGEN FURNACES.

C. INTEREST IN US EQUIPMENT. DR. BARBOSA STRESSED THAT SIDERBRAS, PARITUCLARLY ITS SUBSIDIARIES CSN AND COSIPA, CONTINUED TO BE INTERESTED IN A WIDE VARIETY O US EQUIPMENT, PARTICULARLY IN THE SINISHING LINES. IN THIS CONNECTION HE MENTIONED, ONCE AGAIN, HOT AND COLD FOLLING MILLS, PICKLING LINES, TINNING AND GALVANIZING FACILITIES AND A WIDE VARIETY OF OTHER FINISHING EQUIPMENT. HE THOUGH THE ESTIMATE OF POTENTIAL BUSINESS FOR US SUPPLIERS OF DOLLARS 250 MILLION WAS CONSERVATIVE AND MIGHT WELL BE EXCEEDED IF APPROPRIATE FINANCING WOULD BE FORTHCOMING.

3. BARBOSA PLANS TENTATIVELY TO BE IN WASHINGTON THE WEEK OF APRIL 21 AND SAID HE WISHED TO CALL ON EXIM BANK OFFICIALS DURING HIS VISIT. EMBASSY WILL CONFIRM ITINERARY WHEN SIDERBRAS ADVISES. CRIMMINS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, STEEL, MINING INDUSTRY, DIPLOMATIC DISCUSSIONS, PROPOSALS (BID)
Control Number: n/a
Copy: SINGLE
Draft Date: 14 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BRASIL02800
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750129-0910
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750454/aaaabxob.tel
Line Count: 82
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 48075
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 MAY 2003 by BoyleJA>; APPROVED <21 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BRAZILIAN STEEL EXPANSION: PHASE III -- STATUS REPORT
TAGS: EFIN, EMIN, EINV, BEXP, BR, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006